**Testimony of Molly McKay before the Transportation Committee of the Connecticut General Assembly**
**SB 289 An Act Concerning the Establishment of Tolls for the Extension of Route 11**
**March 5, 2012**

Chairman Maynard, Chairman Guerrera, Members of the Committee,
Thank you for hearing my testimony today.

Why are we discussing a proposal to put tolls on a "phantom" road?

It's the year 2012. Connecticut's debt per capita is the highest in the country! For this state to be even *considering* an investment of over a billion dollars for an eight-mile highway that entails building a triple decker interchange to connect the new road with two interstates -- and by the way that part of the project ALONE could cost $1 billion or more -- is fiscal insanity.

But, for the purpose of this proposed bill, let's examine how this might play out: The existing Route 11 has light traffic; it is rarely even moderate. If it is extended, there will be more traffic, that's a given. If the new extension does cost only the present estimate, $1.25 billion, Connecticut would get 80% from the federal government.

That leaves $250,000,000 for the state to come up with.

If the toll is $1.00 and traffic increases to 10,000 vehicles a day, the state will collect roughly $3,650,000. annually. At that rate, it would take 90 years to pay off the debt. And this doesn't cover any of the interest costs. ***[A much more sophisticated analysis of tolls from my colleague Robert Fromer is attached to my testimony.[***

How transportation is really paid for in this country is a gray area. It is simply not transparent to the ordinary citizen. But it's obvious when a proposal is deeply flawed.

Environmentally, this is also a bad deal. Connecticut is still not in compliance with the Clean Air Act Amendments of 1990. To reduce greenhouse gas emissions, for which the transportation sector contributes approximately 30%, we must reduce vehicle miles traveled (VMTs). To build a new road where the incentive is to have as much traffic as possible to pay for it.....NO this is not good transportation planning. It's past time to "steer a new course," as Deborah Gordon says in her landmark book: *Steering a New Course: Transportation, Energy and the Environment*

Molly McKay
Transportation Chair, CT Sierra Club

**TOLL COST ANALYSIS FOR ROUTE 11 EXPRESSWAY**

1. Projected Average Daily Traffic for Route 11 is approximately 20,000 vehicles per day.
2. Projected annual traffic (365 days) = 7,300,000 vehicles/year
3. Twenty-five percent leakage of annual traffic from toll avoidance = 1,825,000 vehicles/year
4. Projected annual traffic with 25% leakage = 5,475,000 vehicles/year
5. Projected traffic for 20 years without leakage = 146,000,000 vehicles
6. Projected traffic for 30 years without leakage = 219,000,000 vehicles
7. Projected traffic for 20 years with leakage = 109,500,000 vehicles
8. Projected traffic for 30 years with leakage = 164,250,000 vehicles
9. Estimated project cost in 2010 was $1 billion ($1,000,000,000)
10. Estimated non-federal share is 20% = $200,000,000
11. Total cost of borrowing $200,000,000 for 20 years (principal plus interest) is:

| Interest Rate | Simple Interest | Total Cost ($) |
|---|---|---|
| 2 | 78,000,000.00 | 278,000,000.00 |
| 3 | 117,000,000.00 | 317,000,000.00 |
| 4 | 156,000,000.00 | 356,000,000.00 |
| 5 | 195,000,000.00 | 395,000,000.00 |
| 6 | 234,000,000.00 | 434,000,000.00 |

12. Projected toll to repay the total borrowing cost over 20 years without leakage is:

| Total Cost ($) | Number of Vehicles | Toll ($) |
|---|---|---|
| 278,000,000.00 | 146,000,000 | 1.90 |
| 317,000,000.00 | 146,000,000 | 2.20 |
| 356,000,000.00 | 146,000,000 | 2.40 |
| 395,000,000.00 | 146,000,000 | 2.70 |
| 434,000,000.00 | 146,000,000 | 3.00 |

13. Projected toll to repay the total borrowing cost over 20 years with leakage is:

| Total Cost ($) | Number of Vehicles | Toll ($) |
|---|---|---|
| 278,000,000.00 | 109,500,000 | 2.50 |
| 317,000,000.00 | 109,500,000 | 2.90 |
| 356,000,000.00 | 109,500,000 | 3.25 |
| 395,000,000.00 | 109,500,000 | 3.60 |
| 434,000,000.00 | 109,500,000 | 4.00 |

14. Total cost of borrowing $200,000,000 for 30 years (principal plus interest) is:

| Interest Rate | Simple Interest | Total Cost ($) |
|---|---|---|
| 2 | 118,000,000.00 | 318,000,000.00 |
| 3 | 177,000,000.00 | 377,000,000.00 |

| | | |
|---|---|---|
| 4 | 236,000,000.00 | 436,000,000.00 |
| 5 | 295,000,000.00 | 495,000,000.00 |
| 6 | 354,000,000.00 | 554,000,000.00 |

15. Projected cost of toll to repay the total borrowing cost over 30 years without leakage is:

| Total Cost ($) | Number of Vehicles | Toll ($) |
|---|---|---|
| 318,000,000.00 | 219,000,000 | 1.45 |
| 377,000,000.00 | 219,000,000 | 1.70 |
| 436,000,000.00 | 219,000,000 | 2.00 |
| 495,000,000.00 | 219,000,000 | 2.30 |
| 554,000,000.00 | 219,000,000 | 2.55 |

16. Projected cost of toll to repay the total borrowing cost over 30 years with leakage is:

| Total Cost ($) | Number of Vehicles | Toll ($) |
|---|---|---|
| 278,000,000.00 | 164,250,000 | 1.70 |
| 317,000,000.00 | 164,250,000 | 1.90 |
| 356,000,000.00 | 164,250,000 | 2.15 |
| 395,000,000.00 | 164,250,000 | 2.40 |
| 434,000,000.00 | 164,250,000 | 2.65 |

Notes:
This exercise assumes the following:

a. Tolls are rounded.
b. Traffic leakage of traffic is due to toll avoidance.
c. Trucks pay the same toll as a car.
d. The cost estimate excludes the capital cost of toll installation.
e. The cost estimate excludes the operating cost of toll collection.
f. The cost estimate excludes the operating cost of highway maintenance.
g. Inflation is considered as zero.
h. The cost of Route 11 includes the I-95/395 interchange, which will not permit a southbound traveler on I-95 to travel on I-395 North.

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